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LUXURY BRANDING

CREATIVE CONSULTANCY

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40th Anniversary Edition

THE NEW LUXURY BRAND PLAYBOOK

How luxury brands can adapt and thrive within a changing global marketplace and with an evolving consumer audience

The O Group

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THE NEW LUXURY BRAND PLAYBOOK

WHAT BRANDS AND MARKETERS SHOULD PAY ATTENTION TO AS THE LUXURY INDUSTRY ADAPTS TO A GLOBAL CONSUMER EVOLUTION AND GROWING MARKETPLACE SATURATION

For 40 years, we have consistently guided our clients through the shifts in an evolving luxury marketplace to keep them ahead of the relevancy curve.

As the global luxury market matures, its clientele is becoming smaller, more concentrated at the top and far less forgiving on price. The past few years have created significant alterations in how this industry is defined and valued.

Inside this emerging luxury landscape, many of the old rules and approaches no longer produce effective brand marketing, and brands need to rethink how they present themselves.

We have distilled our most significant industry insights into this document in order to help owners and marketers of luxury brands focus their efforts by aligning with changing audience expectations and new rules of global marketing engagement.

The O Group



THE TOP 5 LUXURY BRAND PLAYS FOR 2027 AND BEYOND

1. **IDENTIFYING** YOUR BRAND'S LUXURY CATEGORY TIER & ROLE **03-06**
2. **EVOLVING** YOUR BRAND'S UNIQUE POSITIONING AND SET OF VALUES **07-10**
3. **NURTURING** CUSTOMER INTIMACY WITH YOUR INTENDED AUDIENCE **11-14**
4. **GENERATING** ONGOING BRAND VALUE ACROSS ALL TOUCH POINTS **15-19**
5. **NAVIGATING** AI RELEVANCE **NEW** **21-24**

1. **IDENTIFY** CATEGORY TIER & ROLE

THE EMERGING STRATIFICATION OF LUXURY BRAND TIERS AND THEIR AUDIENCES

Luxury brands across every category and their audiences have become increasingly segmented - including their unique behaviors and identifiers. For some time now, the concept of a homogenized "luxury" category has become outdated, especially when it comes to brand building, marketing and audience engagement.

Rising competition and changing client expectations have driven this shift, and they require a different approach to brand marketing than the one most houses grew up with.

As the luxury market grows more crowded, its audience is also concentrating. Bain estimates active luxury buyers fell from about 400 million in 2022 to 340 million in 2025, while BCG finds top-tier clients now account for nearly a quarter of spend, up from 14% a decade ago.

Years of price increases have also tested the value equation: 70% of luxury consumers have walked away from a purchase over a price they felt was unjustified. Most stayed within luxury, but they moved to brands that gave them a better reason to pay.

The expansion of "available" luxury has accentuated a stratification not just between brands, products and services but also with the consumer's relationship to brands that cater to their unique needs.

New Luxury Category Tiers for Brands and Audiences

STANDARD	HIGH	ULTRA
AUDIENCE (BY INCOME)		
TOP 5-10%	TOP 1% *(HNWI)*	TOP 0.1% *(UHNWI)*
STATUS CURRENCY		
PHYSICAL	EXPERIENTIAL	CULTURAL
BRAND EXAMPLES		
TIFFANY & CO. · FOUR SEASONS HOTELS AND RESORTS · Mercedes-Benz	ROLEX · ROSEWOOD HOTEL GROUP · JAGUAR	RICHARD MILLE · ĀMAN · BENTLEY
OFFERING RANGE		
TRAVEL ANALOGY		
BUSINESS CLASS	FIRST CLASS	PRIVATE JET
DRIVERS (PRODUCT)		
QUALITY	INVESTMENT	DESIRE
DRIVERS (SERVICE)		
BEST-IN-CLASS	SPECIAL ACCESS	PRIVACY

1. IDENTIFY CATEGORY TIER & ROLE

To help make sense of these industry changes, we have been developing a new way to look at the luxury category to better visualize this changing market. We have identified 3 tiers of luxury brands and audiences - each with unique rules, associations with status and customer strategies. Here is a very brief description of each as we define them today.

STANDARD LUXURY TIER

The first Standard Luxury tier contains the most widely known brands who have become synonymous with the general concept of luxury. For many people, these brands represent the very best that their category has to offer: a Tiffany & Co. engagement ring, a Mercedes-Benz sedan, or the Four Seasons' renowned service.



The first tier contains the most widely known brands who have become synonymous with the general concept of luxury. Image credit: Four Seasons Hotel Houston

Holding incomes in the top 5 - 10 percent of all households, the audience at this level understands the value equation for luxury goods and services and is willing to pay for quality and exceptional service. Airlines have built on this equation especially well with Business Class, which offers a clear step up in comfort and service at a price this audience readily accepts.

Brands at this tier are very flexible with how they produce goods for higher and lower categories: seeking to appeal both to a higher tier of luxury consumers and emerging aspirational customers alike. Because of their mass appeal, brands in this group retain less of their cachet for the higher tiers of luxury consumers.

HIGH LUXURY TIER

The High Luxury category of brands is inspirational in nature and represents the most visible heights of luxury goods and services. More than Standard Luxury, these brands have reached the "status symbol" label among an audience comprised of the top 1 percent of high-net-worth individuals who appreciate their lasting value and global cultural relevance.



High Luxury brands such as Cartier modulate their offerings to a higher and lower customer base to maximize their reach while still maintaining their luxury brand status. Image credit: Cartier

Like Standard Luxury brands, Cartier, Rolex, Jaguar and Louis Vuitton modulate their offerings to a higher and lower customer base to maximize their reach while still maintaining their luxury brand status.

These brands are also quickly identifiable and for some luxury consumers, that recognizability makes them less desirable. This tier is a first-class experience and creates a much clearer dividing line between itself and lower levels of service than a Standard Luxury brand.

ULTRA LUXURY TIER

At this level, we see luxury brands like Aman Resorts, Bentley, Hermès and Richard Mille that only cater to the top 0.1 percent who are willing to pay the price for something truly special and unique.

Ultra-high-net-worth individuals care less about price than about exclusivity: the desire to experience or obtain something very rare and limited.

Unlike the other two tiers, Ultra Luxury brands never create anything for a lower level and never offer a version of their brand that is less than the very best. The Ultra Luxury audience is very connected with what has been coined as "quiet luxury" and "stealth wealth."

The only status symbols that matter are ones their peers can recognize and appreciate. This Ultra Luxury audience is less defined by a single location or nationality as they are by their global lifestyle and cultural connections.



Luxury brands like Bentley Motors cater to the top 0.1 percent who are willing to pay the price for exclusivity. Image credit: Bentley Motors

We help our clients understand where in this tier range they wish to align their brands to create highly focused brand communications, new product offerings and targeted audience messaging. For example, Ultra Luxury seems very desirable and exclusive, but it also offers the smallest potential audience of the entire luxury category. That might not matter depending on one's business model, but an Ultra Luxury brand positioning and strategy is intended to attract an audience who only desires a limited and unique offering and nothing less.

2. EVOLVE BRAND VALUES & POSITIONING

EVOLVING BRAND VALUES AND POSITIONING FOR A RAPIDLY CHANGING MARKETPLACE

With an increasingly competitive luxury marketplace, defining a clear set of brand values and positioning has become harder, and start-ups and heritage brands alike now need a distinct and well-defined brand blueprint. Spending is concentrating among the wealthiest clients, even as younger buyers shape the values.

While traditional luxury standards (exceptional quality, inspiring creativity, etc.) are still important to this new customer base, they also require brands to support their generational values. Younger clients (Gen Z and Millennials) are setting a new definition for the industry, as consumers, marketers and creators, and they expect the brands they choose to share their outlook.

THE REAL-TIME TRANSFORMATION OF THE LUXURY SECTOR

- **Global luxury spending held steady at about €1.44 trillion in 2025 ***
- **Active luxury buyers fell from about 400 million in 2022 to about 340 million in 2025, a smaller base of fewer, higher-value clients ***
- **One in two luxury consumers now use AI when they shop, while experiences are growing about 1.5x faster than goods ***

* Bain & Company / Altagamma, 2025-26

A Growing List of New Luxury Values

HISTORIC LUXURY VALUES	*NEW LUXURY VALUES*
Elite Performance	Responsible Sourcing
Craftsmanship	Transparency
Product Innovation	Personal Transformation
Creative Excellence	Sustainability
Heritage Legacy	Inclusion / Community
Prestige / Status	Circular Economies

The latest research from Bain & Company and Altagamma shows a market that is flat in value, with fewer, more concentrated clients and fast-growing use of AI (see left).

Millennials and Gen Z bring their own perspectives on what value luxury products and services hold in their lives. Brands will need to adapt and refine their offerings not only to compete in a crowded marketplace, but also to build continual emotional connections with a new audience that has its own values and expectations about luxury and the role it plays in their lives.

Valentino is a recent example of a luxury brand that misjudged its audience. In December 2025, AI-generated imagery promoting its DeVain handbag drew public criticism from consumers who expect human craft and creativity from a couture house.

A “fine-tuning” is required here - a careful consideration by marketers to invest in understanding their audience’s goals and drivers.

2. EVOLVE BRAND VALUES & POSITIONING

NEW LUXURY VALUES AND THE TRANSFORMATION OF STATUS

The luxury industry has a set of well-established values that have become the recognized standards for as long as the category has existed.

Many of these traditional luxury values (performance, craftsmanship, innovation, creative excellence, heritage and prestige) are still very relevant for most consumers and will likely remain at the core of what defines the luxury tier. Younger luxury audiences have begun to add new values to the mix such as responsibility, sustainability, transparency, transformation, community, and the support of circular economies.

These new values are by no means exclusive to luxury, but they will share the "stage" with traditional luxury values and be held to a higher standard than mass and premium brands. Luxury brands are recognized to be the best, an ideal to raise the bar and set the highest standards (both old and new) which others seek to emulate. These new standards are also quickly becoming the modern markers of status across the luxury industry, especially with new luxury consumers.

These updated luxury values are not just philosophical but real commerce drivers for the generations that stand by their values.

Tata Consultancy Services research found that most Gen Z and Millennial consumers will spend more on sustainably produced, ethically sourced products, including luxury.



"This radical transparency on origins, sourcing and production chains gives a modern consciousness to fine jewelry, shifting outdated industry standards to mirror societal change."

- Eternal Gold, Prada

Some brands are well ahead of the curve and have already started to create products and services with socially aware audiences in mind. With their first fine jewelry collection made 100% from recycled gold, Eternal Gold, Prada is putting the value of sustainability into action. In addition to leveraging sustainability, Prada is embracing transparency by supplying verification through the Aura Consortium Blockchain platform available to their fine jewelry customers who can verify the authenticity of their pieces, as well as their journey.

SHARPENING LUXURY BRAND POSITIONING FOR SUCCESS

We define a Brand's positioning as the unique space a brand can establish and maintain in the mind of the consumer. Your positioning is what is true and authentic about your brand, your intended audience, and a unique territory inside a competitive landscape. Once this is established, you can activate your brand in endless ways to help to solidify your unique position in consumers' minds.

Rapid revenue expansion and growth of the luxury industry has created "a sea of sameness," across most sectors (spirits, jewelry, fashion and hospitality most notably) where many brands fundamentally seem to do the same thing, act and behave the same way, and have similar ways in which they attempt to communicate their unique value. Brands that mimic each other crowd the marketplace and make it increasingly challenging for others to break through and build authentic connections.

One exception to this "sea of sameness" in luxury fashion is Stella McCartney. Since launching her label in 2001, McCartney has avoided leather, fur and PVC in her collections and has looked for ways to make the entire luxury fashion industry more sustainable and transparent.

The commitment to these new luxury values gives Stella McCartney a unique and clearly identifiable position in the luxury market. Consumers who share these values are attracted to the brand for more than just its traditional luxury markers of exceptional creativity and craftsmanship.





Luxury fashion brand Stella McCartney has developed brand practices to stand apart from others with their dedication to sustainable fashion

As luxury branding consultants, we understand developing a well-defined and differentiating brand positioning and establishing a set of actionable brand values is not a simple task for a business at any life cycle stage. However, the effort pays off in the long run with the ability to use these assets in the development of new products and services, establishing a road map for potential partnerships with like-minded brands, creating more meaningful (and profitable) relationships with customers and most importantly, being able to stand apart in a highly competitive marketplace that grows more crowded year over year.

3. NURTURE CUSTOMER INTIMACY

THE NECESSITY OF BUILDING CUSTOMER INTIMACY WITH TODAY'S LUXURY AUDIENCE

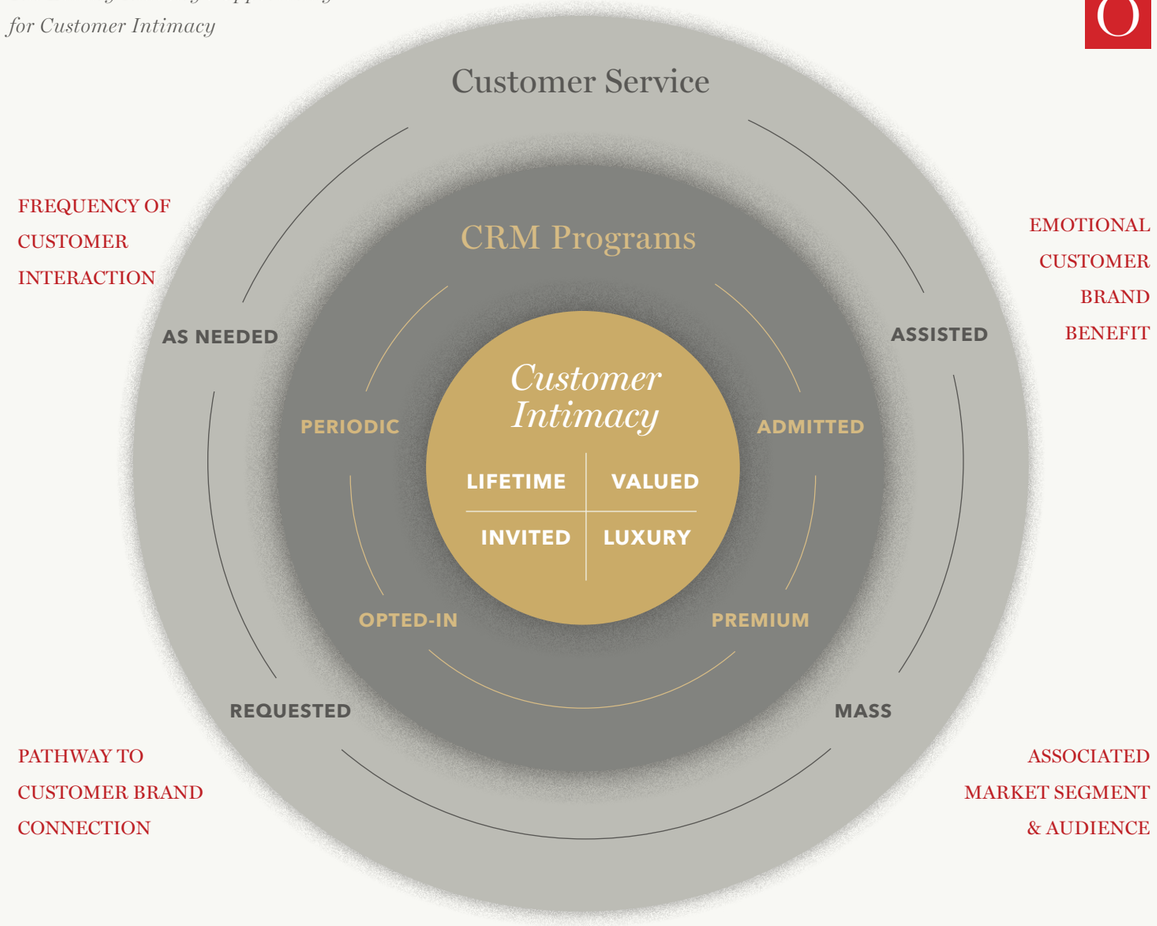
When we think about customer intimacy, we are specifically referring to the brand practice of developing strategies, practices, content and experiences that enhance and deepen a consumer's relationship with the brand. This branding approach is typically seen through the lens of traditional customer service or even CRM strategies but developing customer intimacy is a practice unique to itself and can be developed from the inside out, well before consumer engagement and interactions take place.

From building more emotional and authentic storytelling content to creating exclusive product offerings and experiences intended for a select clientele group, luxury brands have the ability to heighten this sense of connection, closeness and affinity with customers for a lifetime, not just over the course of a single transaction or the sharing of a social post.

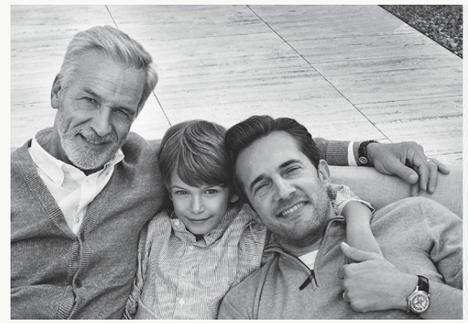
BUILDING EMOTIONAL BRAND CONNECTIONS FROM THE INSIDE OUT

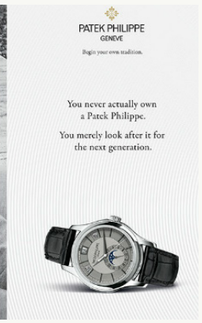
A brand's personality and voice are developed to help build connections, a way to craft a consistent and constant presence that can deliver a persona to interact with. Similarly, brand storytelling is a powerful tool for luxury brands to demonstrate their values, identity, and beliefs with their intended audience. By creating engaging narratives that showcase their unique provenance, artisanship, use of specialized materials and techniques, and even how they utilize their social equity, luxury brands have the potential to build an active community of emotionally connected and passionate customers who share their vision and values. Patek Philippe, Burberry, Chanel, Rolex and Louis Vuitton are all masters of both unique brand persona development and compelling emotional storytelling.

The Luxury Industry's Opportunity for Customer Intimacy









Luxury brands such as Chanel and Patek Philippe are masters at brand storytelling and developing emotional brand connections

3. NURTURE CUSTOMER INTIMACY

Building deeper connections with customers starts with understanding your intended audience and building a brand personality and voice that will blend and balance with their intended goals and values.

Historically, luxury brands have not adopted this mindset. In traditional luxury, the customer was drawn to an exclusive product or service because it was unique, rare and refined beyond any ordinary standard. Today's luxury market is much more crowded than in decades past resulting in more brands with similar offerings - requiring marketers to rely more on brand differentiators over the value of goods and services alone.

This increase in competitive offerings will only grow in years to come making the potential power of a brand's emotional connections more critical.

CREATING EXCLUSIVE EXPERIENCES AND PRODUCTS

Limited access to exclusive products and services can be a part of many luxury brands' marketing strategy, sometimes it's the entire business model (especially for luxury start-ups). Private fashion events, exclusive meet-and-greets for top clientele, exotic travel experiences and private dinners at locations money can't buy are becoming more common for luxury brands who understand the importance of showcasing their abilities to build customer intimacy.

The need for creating exclusive access and unique experiences is felt at every level of the luxury industry, but it plays a special role at the highest tiers, where money is seldom a barrier to entry but obtaining access to a limited experience can be.

Ferrari's Cavalcade is a good example. The invitation-only driving tour for Ferrari owners and collectors took its 2026 edition along the Adriatic coast, from Trieste to Athens. A place on the tour comes through a long relationship with the house, not a purchase.

INVITATION ONLY

FERRARI CAVALCADE
TRIESTE TO ATHENS

At the highest tiers, what clients want most is access, and money alone rarely buys it.

ENHANCING THE ENTIRE CUSTOMER JOURNEY

To create a personal, unique and memorable experience for customers, brands first need to understand their audiences (including values, drivers and desires) before a truly intimate interaction takes place.

Ordinary customer service experiences, by contrast, are more standardized and less personalized. Creating customer intimacy involves going beyond the standard expectations and creating a sense of connection, exclusivity and fantasy through the entire customer journey. Each step of this journey, from becoming aware and learning about a brand, as they enter a store or website, to completing a purchase and even outside a typical transactional process is an opportunity for brands to show up for their customers and prove they want an authentic relationship.

Many luxury brands are becoming more adept with developing their direct-to-consumer (DTC) sales and marketing channels, putting additional efforts into the unboxing experience of a customer journey.

MrPorter.com is an excellent example of what to do when your brand relies 100% on an online DTC channel for sales but still needs to provide exceptional luxury service. During the unboxing experience, Mr. Porter customers encounter personalized client name tags inside each garment bag, with wrapping inside their delivery, and their own name displayed at the top of the website when logged into their account.



Mr. Porter's personalized customer unboxing design creates instant customer intimacy and a sense of brand connection

Mr. Porter has gone beyond expectations to create emotional connections with their customers, allowing them to feel a part of the entire brand experience, not just during a transaction.

AUTHENTIC INTIMACY FOR A LIFELONG RELATIONSHIP

At the heart of customer intimacy is the concept of a relationship. The dream for most luxury brands is to create a lifelong relationship with their customers - a continuation of authentic experiences that build loyalty, trust, desire and even dream fulfillment. Like significant human relationships we develop over our lifetimes, if one partner does not feel valued or understood, the likelihood of separation becomes high.

To fan the flames of desire and fantasy within their ideal customers, luxury brands need to continually find ways to build and nurture that desire not just once, but again and again, creating a lifetime of intimacy - one worthy of luxury's assumed prestige.

4. GENERATE ONGOING VALUE

WHY LUXURY BRANDS SHOULD CREATE A WORLD OF VALUE FOR THEIR CUSTOMERS

The new codes of luxury are increasingly shifting to center around an individual's entire lifestyle, including diverse interests, areas of inspiration and global influences. Smart luxury businesses are growing their brand's impact and awareness by leveraging opportunities to add value to a wider sphere of potential consumer interactions beyond the expected path to purchase.

What do you offer a customer that can afford (mostly) whatever they want? The answer is inside the potential for adding value to a consumer's life that's not tied to a product or service but to the impression and application of the brand itself. With increased frequency, luxury brands are investing in the creation of brand equity through strategies and tactics that create value through educational experiences, providing select access to exclusive events and spaces and even impacting global culture across any number of partnerships and programs.

Brand building in the world of luxury is essentially more valuable over time than driving sales and website impressions. We counsel our luxury clients that their investment in brand building will deliver more long-term equity than any other program, marketing tactic, social media strategy or advertising campaign.

Luxury brands have been developing new ways to raise their profile across all consumer touch points - creating a world of cultural impact that adds value and increases the significance of a brand in the consumer's mind. Here are some interesting and effective examples of how luxury brands are developing value through education programs, exclusive access and building cultural capital.

Potential Opportunities for Luxury Brands to Generate Value for Customers

BRAND TOUCHPOINTS	EDUCATION	ACCESS	CULTURE
IN-PERSON	ONE-ON-ONE CREATIVE CONSULTATIONS	INVITE ONLY AREAS FOR VIP CLIENTELE ACCESS	PRIVATE EVENTS OF RARE CULTURAL SIGNIFICANCE
PUBLIC ACCESS	TRAINING PROGRAMS AND WORKSHOPS BY STAFF "EXPERTS"	PUBLIC "OPEN HOUSE" EVENTS	ART OR MUSIC SPONSORSHIPS AND COLLABORATIONS
SOCIAL MEDIA	BRAND CREATOR "IN THE MAKING" CONTENT	LIVE STREAM "BEHIND THE SCENES" DURING EVENTS	"INSIDER" CONTENT OF CULTURAL BRAND COLLABORATIONS
WEBSITE	STORYTELLING FEATURING UNIQUE BRAND CONTENT	REGISTERED CUSTOMER ACCESS TO RESERVE PRODUCT	ACCESS TO LIMITED COLLABORATION CONTENT



"Hermès in the Making" is the brand's traveling educational program for the general public to learn more about the brand

EDUCATION

Luxury customers today want to get closer to the brands they love and support. For a passionate audience who are looking to take their appreciation and connection to the next level, providing educational experiences about the process of luxury craftsmanship or the insider details about a brand directly from the source, provides a wealth of brand building opportunities.

4. GENERATE ONGOING VALUE





With a focus on educating customers about heritage artisanship, luxury brands such as Hermès and Bottega Veneta create unique value for passionate consumers

'Hermès in the Making' in Chicago

Open to the public, Hermès invited everyone to Chicago's Union Station to take part in its traveling exhibit, 'Hermès in the Making'. Visitors could meet its artisans and discover the house's spirit of creation and innovation through its unique craftsmanship. Artisans from different areas of the house brought their tools, materials and expertise to engage guests in hands-on activities, from saddle stitching a Kelly bag and dexterity workshops to coloring and fragrance design, all led by the house's own artisans, who shared their techniques directly with visitors.

Bottega Veneta's Accademia Labor et Ingenium

Bottega Veneta has deepened its commitment to artisanal craft with Accademia Labor et Ingenium, a school created to foster the next generation of talent. The name derives from the brand's founding values, as seen in its original company crest: Labor et Ingenium, "Craft and Creativity".

Accademia Labor et Ingenium serves as a permanent workshop, where Bottega Veneta new hires and external students can learn from master artisans through training activities, workshops, and courses. The classes are led by a community of Bottega Veneta master artisans and champions the collective ethos that has defined the company since its foundation in 1966.

ACCESS

The brand value of access is created by providing admittance and introductions to places, people and products that are not available to just anyone. These rare and exclusive pathways have been increasing in number by brands who are countering the effects of wider access to standard level luxury products and services. Higher tier luxury consumers especially desire to be serviced and treated in a way that shows appreciation and acknowledges their continued support.

Tiffany & Co. VIP Floors

With the 2023 reopening of The Landmark, Tiffany & Co. included in the new design an entire top floor of VIP suites, accessible only by a private elevator for qualifying customers. A full bar greets guests, who can wander freely into the library stocked with century-plus-old Tiffany "blue book" catalogs, or lounges and sitting areas with some of the best views in all of Manhattan. Tiffany's nearly 200-year lineage is highlighted at every corner.





Tiffany & Co. 10th Floor VIP Suites at The Landmark in NYC

Harrods Members-Only Club in Shanghai

In late 2023, the iconic London department store Harrods opened a private members club titled "The Residence" in Shanghai, the first of its kind outside the UK. Set inside the Cha House, a centuries-old heritage building in the heart of the city, it is limited to just 250 places. Members enjoy the store's global concierge services and rare spirits through a partnership with Scottish whisky company Edrington, as well as an exclusive restaurant by Gordon Ramsay.



"The Residence is Harrods' very first private members' club and is being created to serve a curated community of discerning members,"

- Michael Ward, then Managing Director of Harrods



Harrods new private members club "The Residence" in Shanghai

4. GENERATE ONGOING VALUE

CULTURE

In creating cultural value, luxury brands must access, process, and operationalize real-time information about trending topics and client sentiment across the globe. The ability to influence and inspire audiences through cultural touch points is becoming the driving force of value creation for every major player in the luxury market. This is a very different skill set for brands than ever before and few have been able to utilize it effectively.

Van Cleef & Arpels Dance Festival

Launched in 2020, Dance Reflections by Van Cleef & Arpels is a program dedicated to dance, supporting creative artists and institutions linked to the world of choreography. The initiative also stages festivals with international partners: London in 2022, Hong Kong and New York in 2023, and a second New York edition in early 2026, created with prestigious institutions to showcase the artistry of choreographic creation, alongside workshops for advanced dance students.

Axiom Space and Prada Collaboration

In the first partnership between an Italian luxury house and a commercial space company, Prada is working with Axiom Space, architect of the world's first commercial space station, on spacesuits for NASA's Artemis program. Under NASA's revised plan, Artemis III (expected in 2027) will test the suits in Earth orbit ahead of the first crewed lunar landing since Apollo 17 in 1972, now slated for 2028.



A unique cultural collaboration between luxury brand Prada and Axiom Space will create groundbreaking spacesuits for NASA

"A true celebration of the power of human creativity and innovation to advance civilization."

- Lorenzo Bertelli, then Prada Group Marketing Director

As luxury brand consultants, we advise our clients to build a world of value around the core belief system and an established set of brand values. These programs, products and partnerships all need to have a transparent and authentic connection to the brand's identity, personality and ethos for them to create meaningful impact and value.

THE TOP 5 LUXURY BRAND PLAYS FOR 2027 AND BEYOND

IDENTIFYING
CATEGORY TIER & ROLE 1

We have identified 3 tiers of luxury brands and audiences (standard, high and ultra), each with unique rules and customer strategies.



EVOLVING
VALUES & POSITIONING 2

Younger audiences have added new values such as sustainability, transparency, community and circular economies.



NURTURING
CUSTOMER INTIMACY 3

Customer intimacy is the practice of building strategies, content and experiences that deepen a client's relationship with the brand.



GENERATING
ONGOING VALUE 4

Smart luxury brands grow their impact by adding value across a wider sphere of consumer interactions.



NAVIGATING
AI RELEVANCE 5

We advise clients to let AI handle the routine, so their people have more time for clients and craft.

HUMAN-LED AI-ASSISTED

5. **NAVIGATE** AI RELEVANCE

DECIDING WHAT TO AUTOMATE AND WHAT TO PROTECT IN A LUXURY BRAND

Since we first published this playbook, AI has become part of how luxury clients shop. Bain and Altagamma report that one in two luxury consumers now use AI at some point in their purchase journey, and BCG finds that most use it weekly, often to research luxury brands and products.

It also changes how brands are positioned. McKinsey and The Business of Fashion now call AI chatbot answers the new SEO. The way AI tools describe, compare and recommend a brand is starting to matter as much as its campaigns or store windows, so a brand's positioning now has to be clear enough for an AI assistant to describe accurately.

AI AND THE LUXURY CLIENT

- **One in two luxury consumers now use AI when they shop ***
- **Nearly nine in ten use AI tools weekly, and about four in five of those use them to research luxury ***
- **Consumers trust AI about twice as much as social media and influencers as a source of advice ***

* Bain & Company / Altagamma, 2026, BCG / Altagamma, 2026

Where AI Belongs in a Luxury Brand

LET AI ACCELERATE	*KEEP HUMAN-LED*
Demand Forecasting	Creative Vision
Search & Discovery	Craft & Provenance
Content Variations	Client Relationships
Service Logistics	Brand Voice
Client Insights	Physical Experience
Authentication	Taste & Curation

LVMH calls its approach "quiet tech." AI works behind the scenes, for example helping Tiffany & Co. client advisors keep track of each client's tastes, while the experience itself stays personal.

We counsel our clients to take the same view and decide carefully where AI should and should not be visible.

In his essay Machines of Loving Grace, Anthropic CEO Dario Amodei argues that even very capable AI will be limited by the physical world, and that people will keep finding meaning in human relationships.

In luxury, we expect the same. As content, recommendations and routine service become easier to automate, craft, provenance and personal relationships stand out more.

5. NAVIGATE AI RELEVANCE

KEEPING PEOPLE AT THE CENTER

As AI takes on more of the work, the moments a client spends with a person carry more weight. In luxury, that means letting AI handle research, logistics and preparation, so that client advisors, artisans and creative leaders can spend their time where clients notice it. Zegna's ZEGNA X system is one example, giving sales associates the information they need to personalize outreach and service.

We expect the best clienteling of the next decade to feel like time with a well-prepared advisor rather than an automated service. Personalization should be useful and discreet, and it should respect the client's privacy.

A small 2026 McKinsey survey points the same way: only about one in ten luxury consumers wanted fully autonomous AI shopping. Most wanted AI to assist, with people present at the moment of commitment.

WHY HUMAN EFFORT STILL MATTERS

In our experience, no technology stays exclusive for long. When it improves quickly, features that once signaled status are soon available to everyone. A brand's values, craft and point of view are much harder to copy.

There are signs the market is already rewarding visible human effort. In November 2026, The National described an "effort signalling" trend: Prada commissioned hand-drawn animation for its holiday campaign and Loewe created some 2,000 watercolour paintings for its 180th anniversary film, while AI-generated imagery from other houses drew public backlash.

Our advice is to use AI where it improves the client experience, but not to present the technology itself as the luxury.

At LVMH, data and AI are meant to be "seamless and invisible" to the client.

- Franck Le Moal, Group IT Director, LVMH

HOW AI SHAPES THE OTHER FOUR PLAYS

IDENTIFYING
AI VISIBILITY & TIER
1

Audit how AI search and shopping assistants describe your brand, which competitors they group you with and which tier they place you in. Then adjust your positioning until it matches where you intend to be.

EVOLVING
AI AS A BRAND VALUE
2

Treat your approach to AI as part of what the brand stands for. Be transparent about where AI is used, safeguard client data, and protect the brand's own voice.

NURTURING
ASSISTED NOT AUTOMATED
3

Use AI to support your advisors. Let it handle preparation and follow-up so that advisors are well informed and each interaction feels personal.

GENERATING
IRREPLACEABLE VALUE
4

Invest in what AI cannot copy, such as craft, provenance, access, culture and in-person experience. The more automated content there is, the more these stand out.

CREATING BRANDS OF RELEVANCY FOR AN EVOLVING LUXURY LANDSCAPE AND AUDIENCE, SINCE 1986

As a New York City luxury branding consultancy, The O Group has been building legendary brands for 40 years across the entire luxury sector.

Our proven process has built a reputation for developing luxury branding that is disruptive, highly desirable and uniquely differentiated.

From our proprietary brand positioning and strategy to crafting essential creative assets, we collaborate with our clients on every part of their brand creation and experience.

A cross section of our branding clients, past and present

Beam Suntory · mascioni hotel collection · Moët & Chandon Champagne · Windsor · TIMEX
Artistic Tile · Hennessy · Garrard · Belvedere Vodka · Acqualina Resort & Spa on the Beach
Ferragamo · The Ritz-Carlton Residences · 周大福 Chow Tai Fook · luxaviation · Langham Hospitality Group
Mouawad · Fetzer Vineyards · Reinhold · Diageo · Maria The Hotel Helsinki

Our expertise: foundational brand development & core content creative for luxury brands, specifically within the hospitality/travel, fine food & spirits, jewelry/watches & fashion, home & lifestyle sectors

- POSITIONING & STRATEGY
- BRAND MESSAGING & STORYTELLING
- SOCIAL MEDIA CREATIVE
- CREATIVE DIRECTION
- MARKETING & ADVERTISING CAMPAIGNS
- WEB SITE DESIGN
- NAMING & IDENTITY
- BRAND VISUALS PHOTOGRAPHY, VIDEO & GRAPHICS
- PACKAGING & COLLATERAL DESIGN

- HOSPITALITY & TRAVEL
- FINE SPIRITS, FOOD & WINE
- JEWELRY, WATCHES & FASHION
- HOME & LIFESTYLE

INTERESTED IN WORKING WITH A STRATEGIC AND CREATIVE BRAND CONSULTANT GROUP?

WE WOULD LOVE TO CONNECT.

NEW YORK CITY HEADQUARTERS

NEW BUSINESS: new@ogroup.net

GENERAL: For general inquiries, partnerships, collaborations, speaking engagements and the like, email us at: info@ogroup.net

CALL: Office 212.398.0100

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